

REPORT NO.

CD NO.

UNCLASSIFIED

- 2 -

1. (1b) Sino-Soviet Friendship:

Mukden (Dec. 21) quoted the Northeast University president as saying SSF Month was intended to honor the Soviet October Revolution anniversary and Chinese emulation of the USSR. Stalin's sending of delegations was "an unparalleled honor for the Chinese," and the success of China's national construction was dependent on adoption of Soviet methods and ideology and the receipt of Soviet aid.

Hangchow stated (Dec. 19) that SSF Month activities had led 2,000 local textile workers to join the SSFA. Chungking said (Dec. 17) that because of SSF Month the peasants now realized that the USSR was China's true friend who would aid in achieving national industrialization, while the Americans only helped the Kuomintang exploit the peasants. According to Peking in numeral code (Dec. 20), various localities in China had begun "further promotion of SSF activities."

Peking stated in numeral code (Dec. 18) that the Sino-Mongolian Friendship Association would hold a meeting Dec. 20, and added (Dec. 19) that SSFA delegates would attend the Sino-Mongol cultural conference in Ulan Bator Dec. 20.

2. (1c) Soviet Superiority:

Peking asserted (Dec. 18) that Soviet scientists had utilized solar energy for production in electrical and chemical industries. Peking (Dec. 20) broadcast the Chinese version of a Russian play about a Soviet agricultural team that "fulfilled its quota for Stalin."

Mukden asserted (Dec. 17) that through adopting Soviet experiences miners had trebled their drilling operations, and stated (Dec. 16) that the Dairen party committee had called on industrial leaders "to promote progressive Soviet experiences." Wuhan stated (Dec. 21) that People's Liberation Army heroes sent letters to the Red Army Flag Ensemble "expressing their love for the USSR" and their determination to struggle for a life of happiness like that in the USSR.

3. (1c) Soviet Technical Guidance:

Anshan reported (Dec. 17) that Chairman Mao had congratulated Anshan steel mill production records, which had "surpassed production in capitalist nations" under the guidance of Soviet experts. Yet, despite the smooth operation of the Dairen equipment factory under the "long-term assistance of Soviet experts," many workers still did not accept the guidance of the Russians. During SSF Month, workers who "did not think much of the proposals of Soviet experts" were taught to "overcome their worship of Anglo-American and Japanese technology, which now are behind the times."

Peking stated (Dec. 21) that National Geological Conference speakers praised the assistance of Soviet experts in developing China's geological resources. Shanghai announced (Dec. 21) that the East China Education Department had called a meeting of higher institutions staffs, when Soviet expert Danilov spoke on progressive Soviet teaching methods.

Wuhan announced (Dec. 16) that under the direction of Soviet experts work had started on the Juho Highway Bridge, Shiangchen Hsien, Honan. Sian reported (Dec. 20) that Soviet experts accompanied Chinese railway engineers in surveying for the Wuchiao Bridge on the Lanchow-Sinkiang Railway. Sian added (Dec. 21) that Soviet experts were directing a number of winter projects at the Sian power plant.

UNCLASSIFIED

UNCLASSIFIED

- 3 -

4. (3a) War Propaganda:

Peking asserted in numeral code (Dec. 17) that propaganda directed to puppet Rhee forces had met with great success. ROK soldiers cried when they heard the "nostalgic music of home" and were incensed to learn of rising South Korean living costs, the suffering of their families under the Rhee-American clique, and the rapings by American soldiers. In response to broadcasts, "50 to 60 percent" of the Rhee soldiers surrendered.

Peking said in numeral code (Dec. 21) that the brutal treatment of Pongam Island prisoners had exposed the hypocrisy in American talk of humanitarianism, and aroused protests from the British. Peking said (Dec. 20) that the International Red Cross had exposed American slaughter of prisoners, but "this faithful running dog of the Americans revealed only two very minor incidents."

Peking in numeral code (Dec. 17) described in detail U.S. torture of prisoners "who refused to submit," and listed organizations supporting Chou En-lai's message of protest. Other group indorsements were broadcast by Peking (Dec. 16), Peking in numeral code (Dec. 16, 17, 18), Paoting, Wuhan, Sian, and Kunming (Dec. 17) and Wuhsi (Dec. 18).

5. (2c) Trade Problems:

Sian charged (Dec. 16) that local state trading companies had fixed prices too low, allowing such a small differential that merchants could not make a profit. Chungking stated (Dec. 16) that although much business had been transacted in 300 Southwest China trade fairs, "glaring shortcomings" included failure to allow private dealers a margin of profit, and neglect of markets for peasant goods to enable peasants to purchase industrial products.

6. (3a) Moves Toward Russianization:

Peking asserted in numeral code (Dec. 16) that cadres throughout China were studying Stalin's writings and 19th Party Congress documents. Canton reported (Dec. 15) that South China senior Party cadres had started studying 19th Congress documents. Chungking said (Dec. 16) that Szechwan cadres at the hsien level were studying Soviet documents.

According to Chengte (Dec. 17) classes were being held for 62 local teachers "having difficulty in teaching because of their low educational standards." Tsinan announced (Dec. 16) that Shantung party cadres were being indoctrinated to "improve their ideological standards." Hefei reported (Dec. 19) that the ANHWEI JIH PAO had received 400 letters approving its attack on Government enterprises indifferent to politics. In checking cadres, some were found uninformed on current policies and "ignorant of the present international situation."

7. (3a) Party Informers:

Peking said in numeral code (Dec. 15) that the North China party had issued a directive on handling of informers' letters and interviews. Cadres were accused of underrating informers' work, concealing information, allowing cases to accumulate, and "failing to publicize exemplary cases."

The directive ordered organization of special offices to handle informers' reports, with inspections by high-level offices. Cadres were ordered to "treat informers so they feel that the Party and Government take great solicitude in them, love them, and are answerable to them."

UNCLASSIFIED

UNCLASSIFIED

- 4 -

8. (3a) Judicial Changes:

Canton said (Dec. 18) that the local court cleared a backlog of 1,000 cases by permitting mass hearings and eliminating legal red tape. The old criminal and civil courts had been replaced by a single secretariat with six chu offices.

9. (3a) Geological Development:

Peking in numeral code (Dec. 19) quoted Vice Premier Chen Yun as saying Chinese mineral exploration must be increased ten times, and thousands of geological personnel were being trained to carry out the work. He flayed personnel complaining of heavy assignments and inadequate equipment, and told them they must "face the difficulty squarely and solve it," as the State's assignments must be fulfilled.

Chen called for national regimentation of geological workers, as financial organs and all major factories would be under centralized Government control next year. He also asserted that "old workers must be distributed among all the field teams so they can strengthen the work of new teams by teaching new members to work step by step, like apprentices." Workers were urged to "learn from everywhere," but "would lose nothing" by taking advantage of progressive Soviet experience, as "Soviet technology is the highest in the world."

10. (3c) Forced Labor:

Wuhan reported (Dec. 16) that "in the course of political reform programs," 10,000 local construction workers were organized into an "effective labor force" of ten battalions and two independent brigades.

11. (3e) Agricultural Remolding:

Peking (Dec. 19) broadcast an article on China's first collective farm, outlining the "advantages of collective farming." Chungking reported (Dec. 16) that Miao tribesmen of Lushan Hsien, Kweichow, were doubtful about Soviet mechanized farming until they saw lantern slides during SSF Month. Then they expressed a desire to emulate Soviet farming, joined the SSFA, reorganized their "inoperative" mutual aid teams, sang Soviet songs, and expressed thanks for Soviet aid. Thirty young women started training as tractor operators.

Mukden announced (Dec. 17) that 1,200 Northeast agricultural cooperatives closed a successful year, but slowness of cadres to distribute the proceeds caused much dissatisfaction. Peking in numeral code (Dec. 17) said 80 to 90 percent of Kirin, Heilungkiang, and Sungkiang farming households belonged to mutual aid teams. Some teams had accumulated capital assets, and "the tendency to exploit poor farmer laborers by making them work harder" had been eliminated.

Chungking reported (Dec. 18) that the Southwest party committee recognized the achievements of rural cadres, but charged them with "coercion, bureaucracy, and lack of democracy." Chungking added (Dec. 21) that Southwest mutual aid teams had been accused of capitalist thinking by "disregarding agricultural production in favor of cloth-weaving and cotton-ginning."

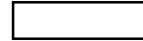
12. (4) Anglo-American Dissension:

Peking asserted (Dec. 15) that the United States was attempting to displace Britain in Iran, even furnishing Italians with ships to carry Iranian oil in defiance of the British. Peking said (Dec. 16) that the New Delhi Pakistan correspondent had exposed American use of "technical assistance" in Afghanistan to plant secret intelligence agents.

UNCLASSIFIED

STATINTL

UNCLASSIFIED



- 5 -

Peking stated (Dec. 16) that since the war America had invested four billion dollars in Middle East oil, in what formerly was considered British territory, and displaced British investors in South American oil, mining, and trading enterprises. Canada had become an economic appendage of America, and the United States had received priority for investment in India that even Britain never had. In Southeast Asia the Marshall Plan was used as an American tool to simplify invasion of investment markets.

UNCLASSIFIED